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No. 00-1543

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

FESTO CORPORATION,

Petitioner,

v.

SHOKETSU KINZOKU KOGYO KABUSHIKI CO., LTD., A/K/A SMC CORPORATION AND SMC PNEUMATICS, INC.,

Respondents.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

BRIEF OF *AMICI CURIAE* MASSACHUSETTS INSTITUTE OF TECHNOLOGY; WISCONSIN ALUMNI RESEARCH FOUNDATION; STATE UNIVERSITY OF NEW YORK-STONY BROOK, AMERICAN COUNCIL ON EDUCATION; COLD SPRING HARBOR LABORATORY; UNIVERSITY OF TEXAS, MEDICAL BRANCH AT GALVESTON AND M.D. ANDERSON CANCER CENTER HOUSTON IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI

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INTEREST OF THE *AMICI CURIAE*

The institutions listed below as *amici curiae* file this brief *Amicus Curiae* in support of the Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit.[1]

Amici consist of several major academic institutions, which own thousands of patents and which invest billions of dollars annually in research that produces an ever expanding crop of patents. This harvest of patents enriches the nation, the universities and improves the health and lives of the American people and the peoples of the world. They therefore have a vital interest in protecting their existing patent assets and investments in research that may lead to new patents.

Wisconsin Alumni Research Foundation

Founded in 1925, the Wisconsin Alumni Research Foundation is the intellectual property management organization for the University of Wisconsin-Madison, one of the major research universities in the United States.

Since Professor Steenbock first presented his vitamin-D breakthrough, which led to the virtual worldwide elimination of rickets by the 1940s, over 3,000 discoveries have been disclosed to WARF. Based on these disclosures, WARF has obtained over one thousand U.S. patents and over 1,500 foreign equivalents and has granted the University funds in excess of $600 million.

Professor DeLuca's discoveries, protected by WARF through hundreds of patents worldwide, have resulted in breakthrough therapies for cancer, osteoporosis, psoriasis, renal osteodystrophy, multiple sclerosis and other serious human afflictions.

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[1] Written consent to the filing of this brief has been obtained from the petitioner and respondents and is being filed herewith. No counsel for a party authored this brief in whole or in part and no person or entity, other than the *Amici Curiae*, their members, or their counsel made a monetary contribution to the preparation or submission of this brief.

Massachusetts Institute of Technology

The Massachusetts Institute of Technology ("M.I.T.") is a private, non-profit university. It is an urban institution with a main campus located in Cambridge, Massachusetts and a research facility, Lincoln Laboratory, located in Lexington, Massachusetts.

American Council on Education

The American Council on Education ("ACE") represents all sectors of American higher education. Its approximately 1900 members include a substantial majority of colleges and universities in the United States. Since its founding in 1918, ACE has sought to promote high standards in higher education.

State University of New York-Stony Brook
Office of Technology Licensing and Industrial Relationships

The State University of New York—Stony Brook, Office of Technology Licensing and Industrial Relationships, is the locus for issues regarding Patents, Copyrights, Technology Transfer and intellectual property of all kinds.

Cold Spring Harbor Laboratory

The Cold Spring Harbor Laboratory is a research and educational institution located in Cold Spring Harbor, New York. The Laboratory has research programs focusing on cancer, neurobiology, plant genetics, genomics and bioinformatics, and a broad educational mission, including the recently established Watson School of Biological Sciences.

University of Texas Medical Branch
Technology Management Office

Established in 1891 as the University of Texas Medical Department, UTMB has grown from one building, 23 students and 13 faculty members to a modern health science

center with more than 70 major buildings, more than 2,800 students and more than 1,600 faculty.

University of Texas M.D. Anderson Cancer Center

One of the country's original three Comprehensive Cancer Centers, M.D. Anderson was ranked the best cancer hospital in the country in *U.S. News and World Report* magazine's annual "Best Hosptials" survey. Since 1990, M.D. Anderson has ranked among the nation's top two cancer hospitals.

M.D. Anderson pioneered the multidisciplinary approach to cancer care, assembling a team of experts to provide the optimal treatment for each patient. But perhaps the institution's greatest strength is the ability to take cutting-edge cancer research and translate it into new therapies for its patients.

In 1999, approximately 65,000 patients were served by the institution, and more than 409,000 outpatient clinic visits were recorded.

SUMMARY OF ARGUMENT

The United States Court of Appeals for the Federal Circuit (C.A.F.C.) has adopted a prosecution history estoppel doctrine (estoppel doctrine) that bars the use of the doctrine of equivalents if any change limiting the scope of a claim in a patent application is made during the prosecution process, irrespective of the reason for the change. This estoppel doctrine is a radical departure from existing law. Under the existing law, the doctrine is limited to cases in which the patent applicant is forced to amend, as otherwise the applicant would not have a patentable invention at all. Under the new C.A.F.C. created estoppel doctrine, all amendments that result in a narrowing of any element of any claim is completely barred from use of the doctrine of equivalents to protect their invention. This rule is given retrospective application, applying to all existing patent holders and applicants.

There are 1.2 million patents being held today. Many of these patents are being held by the *Amici Curiae* before the Court today. They also have thousands of patents pending in the United States Patent and Trademark Office. We argue that the change in the estoppel doctrine puts thousands of their patents at risk of loss. These patents are vested property rights. Further, it is bad public policy as it disables them from continuing to make the large contribution which they have made in pushing back the frontiers of science, producing cures for human diseases and otherwise improving the lives of the people in the United States and around the world. As holder of patents which are in wide circulation with vested rights arising out of the equivalencies that were left open to them by the PTO practice, the Federal Circuit's decision would result in the divestment of these vested patent rights. This point is further highlighted by Judge Linn's opinion in which Judge Rader joined:

> Because claims are commonly amended during prosecution, prosecution history estoppel touches almost every doctrine of equivalents infringement analysis. *See Loctite*, 781 F.2d at 871, 228 U.S.P.Q. at 96. Although a complete bar would provide bright line enhancement of the notice function of claims, it unfairly subjects almost every patentee to the mercy of verbalism at an early stage of development. *See Graver Tank*, 339 U.S. at 607. Rather than promote technological growth, the majority's new rigid rule will effect a serious invasion of the patentee's security of receiving the full benefit of his invention and is likely to be a disincentive to early disclosure of new inventions and discoveries. I see no substantial cause for the majority's drastic action, and I must, respectfully, dissent from the pronouncement that any time a claim limitation is narrowed by amendment for any statutory purpose, regardless of the nature and

> extent of the change, prosecution history estoppel completely bars the application of the doctrine of equivalents.

See Festo v. SMC, 2000 U.S. App. LEXIS 29979 (Fed Cir. Nov. 29, 2000) (Linn, J., dissenting).

The C.A.F.C., seems to directly challenge the unanimous decision of the United States Supreme Court in *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17 (1997), and has shaken the very foundation of the American patent system. The public, the bar, and investors have a right to rely upon the authority articulated by a unanimous decision of the United States Supreme Court. They should be able to rely on the Court in shaping their affairs, choosing their investment policy and in making license agreements with assignees and users of the various patent rights which they have created.

It is therefore with a sense of the highest urgency that *Amici Curiae* herein respectfully request this Honorable Court to issue its *Writ of Certioriari to the United States Court of Appeals for the Federal Circuit.*

ARGUMENT

I. IN *FESTO V. SMC*, THE COURT OF APPEALS FOR THE FEDERAL CIRCUIT EFFECTIVELY OVERRULES THE UNITED STATES SUPREME COURT'S *WARNER-JENKINSON V. HILTON-DAVIS* DECISION

The principal issue before the Court, and the basis of the petition for a *writ of certiorari*, is whether or not the prosecution history estoppel doctrine should be held within its traditional limits, namely where there is a question of patentability, or whether the doctrine of prosecution history estoppel should be expanded to cover every claim amendment made during the prosecution history of an application as proposed by the United States Court of Appeals for the

Federal Circuit in *Festo*. *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co., Ltd., a/k/a SMC Corporation, and SMC Pneumatics, Inc.*, 234 F.3d. 558 (2000). Further, embedded in these issues is whether the doctrine of equivalents is a viable doctrine after the *Festo* ruling.

In *Warner-Jenkinson*, the United States Supreme Court ruled that while "prosecution history estoppel [is] a legal limitation on the doctrine of equivalents", it is incorrect to conclude "that the *reason* (emphasis added) for an amendment during patent prosecution is irrelevant" to the subsequent application of the prosecution history estoppel doctrine. *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*, 520 U.S. 17; 1997 U.S. LEXIS 1476, at *11 (U.S. Mar. 3, 1997). The Court further observed that

> . . . prosecution history estoppel was tied to amendments made to avoid the prior art or otherwise to address a specific concern such as obviousness that arguably would have rendered the claimed subject matter unpatentable. Thus, in *Exhibit Supply Co. v. Ace Patents Corp.*, 315 U.S. 126 (1942), Chief Justice Stone distinguished inclusion of a limiting phrase in an original patent claim from the "very different" situation in which "the applicant, in order to meet objections in the Patent Office, *based on references to the prior art*, adopted the [limiting] phrase as a substitute for the broader one" previously used.

Warner-Jenkinson, 1997 U.S. LEXIS 1476, at *11 *quoting* 315 U.S. 126, 136, 62 S. Ct. 513, 86 L.Ed. 736 (1942) (emphasis added [by the Court]).

The *Warner-Jenkinson* Court further observed that in each case where it probed the reasoning behind the Patent Office's demand for a change in the written description of a claim, it was because the applicant was "not describing a patentable invention at all." *Warner-Jenkinson*, 1997 U.S. LEXIS 1476, at *12.

But on the other hand, the United States Justice Department, arguing on behalf of the U.S. Patent and Trademark Office (PTO), advised that where

> . . . [t]he PTO has been requesting changes in claim language without the intent to limit equivalents or, indeed, with the expectation that language it required would in many cases allow for a range of equivalents, we should be extremely reluctant to upset the basic assumptions of the PTO without substantial reason for doing so. Our prior cases have consistently applied prosecution history estoppel only where claims have been amended for a limited set of reasons, and we see no substantial cause for requiring a more rigid rule invoking an estoppel regardless of the reasons for a change.

Id. The Court further noted:

> [T]hat petitioner's rule might provide a brighter line determining whether a patentee is estopped under certain circumstances is not a sufficient reason for adopting such a rule. This is especially true where, as here, the PTO may have relied upon a fexible rule of estoppel when deciding whether to ask for a change in the first place. To change so substantially the rules of the game now could very well subvert the various balances the PTO sought to strike when issuing the numerous patents which have not yet expired and which would be affected by our decision.

Warner-Jenkinson, 1997 U.S. LEXIS 1476, at *12, n.6. The C.A.F.C. decided to overrule the United States Supreme Court's guidance that their "prior cases have consistently applied prosecution history estoppel *only* where claims have been amended for a *limited set of reasons* . . ." (Emphasis added) *Id.* at *12. The undaunted *Festo* Court rules that "a narrowing amendment made for *any reason* related to the statutory requirements for a patent will give rise to

prosecution history estoppel with respect to the amended claim element." *Festo v. SMC*, 2000 U.S. App. LEXIS 29979 at *11. The C.A.F.C. has thereby greatly expanded the domain in which the prosecution history estoppel doctrine may roam. And wherever it roams, "there is no range of equivalents available for the amended claim element. Application of the doctrine of equivalents to the claim element is completely barred (a 'complete bar')". *Id.* at *13.

This greatly expanded reach of the prosecution history estoppel doctrine was additionally specifically declined by the U.S. Supreme Court in *Warner-Jenkinson* on the ground that the PTO may have relied upon a flexible rule of estoppel when deciding to ask for a change in the first place. "To change so substantially the rules of the game now could very well subvert the various balances the PTO sought to strike when issuing the numerous patents which have not yet expired and which would be affected by our decision." *Warner-Jenkinson,* 1997 U.S. LEXIS 1476, at *12. In spite of this warning, the C.A.F.C. has subjected all existing patents retroactively to its roaming doctrine of prosecution history estoppel. It has ordered that all existing patents are now subject to substantial limitations if any claim was narrowed for any reason during prosecution. These existing patentees, under the C.A.F.C. in *Festo,* are completely barred from use of the doctrine of equivalents.

In making this rule, the Federal Circuit has placed in jeopardy 1.2 million existing patents, many of which are held by the *Amici Curiae* herein. The rule of *Festo* thereby divests long vested rights of existing patent holders in violation of the Fifth Amendment of the United States Constitution. *See* U.S. CONST. amend. V.

The United States Government, under 35 U.S.C. § 200 *et seq.*, which funds over 59% of the annual basic research budget of the national research universities of the United States, and nearly 100% of the budgets of the national

laboratories of the United States, such as MIT's Lincoln Laboratory, has a financial exposure in excess of one trillion dollars.

It is therefore a matter of the highest priority and of the greatest urgency that the United States Supreme Court grant a *writ of certiorari* requested by the petitioner herein. At risk is the untold value of all existing United States patents.

II. FORFEITING THE RESULTS OF U.S. RESEARCH

The United States is currently a primary source of new technology in the world, spending ten times more on basic research than the other G-8 nations combined, and envisions itself as remaining as such in the future. *See* Bailey Morris, *Hands-On Spells Danger*, INDEPENDENT, Feb. 28,1993, available in LEXIS, News Library, CURNWS File; Guy Webster, *New Satellite-TV to Air in Spring*, ARIZ. REPUBLIC, Dec. 26, 1993, available in LEXIS, News Library, CURNWS file (quoting technology forecaster and author Daniel Burrus). Both the public and private sectors in the United States invest large amounts of capital ($158 billion in 1991 and an estimated $249 billion in 2000) each year in research and development (R&D) of new technology. *See* Tim Studt, *$158 Billion and Holding for U.S. R&D in 1991*, RES. & DEV., Jan 1991, at 38, 38 (assessing overall U.S. R&D expenditures for 1991 at $158 billion.) Currently, however, the return on U.S. technology introduced into the global market is not sufficient to cover the overwhelming cost of its production. *See id.* at 38, 42. While the necessary foundations for the utilization of new technology already exists in the United States, this country must restructure its efforts to ensure that it is able to use new technology to successfully accumulate wealth and excel in the global marketplace.

For every dollar spent on basic research in the United States, *See* NAT'L SCI. FOUND., NSF 92-307, RESEARCH AND

DEVELOPMENT IN INDUSTRY: 1989, at 33 (1992) (defining basic research as "original investigations for the advancement of scientific knowledge not having specific immediate commercial objectives, although such investigations may be in fields of present or potential interest to the reporting company"), *ten dollars* (emphasis added) is needed to reach advanced development, *See id.* (defining development as "technical activities of a nonroutine nature concerned with translating research findings or other scientific knowledge into products or processes"), and an additional *one-hundred dollars* (emphasis added) is necessary to reach a manufacturing stage. Brian Deagon, *Leader's Success*, INVESTOR'S BUS. DAILY, Mar, 17, 1993, available in LEXIS, News Library, CURNWS File. Of the approximately $249 billion spent each year on R&D, much is allocated for basic research. *See* William Neikirk, *Wonders of Technology Could Boost Economy*, CHI. TRIB., Feb. 25, 1993, at 1, 12, 13. The 1992 federal R&D budget, totaling $100 billion, is divided between military and civilian projects. *Id.* at 12.

Federal expenditures on basic R&D are often in the form of grants to companies who have formulated a proposal as to the type of new technology they seek to create. *See generally* Barbara Ettore, *Working with the Feds*, MGMT. REV., Feb. 1994, at 46, 47 (providing an outline of federal R&D grant programs.) Each grant recipient produces its own research data in conjunction with the government in the hope of achieving the desired technological goal. *See id.* Extreme modification of patent rules upon which the Congress has relied, *See* 35 U.S.C. § 200 *et seq.*, may produce numerous unintended consequences upon the funding system and may result in practical problems that could hinder the effectiveness of the government funding programs.

The confinement of the right to exclude strictly to the letter of the claims of a patent, coupled with the broad application of prosecution history estoppel, is anathema to protecting the results of basic research.

In 1998, an estimate of $26.3 billion dollars was spent for research and development (R&D) at U.S. academic institutions *See* SCIENCE AND ENGINEERING INDICATORS, 2000; NATIONAL SCIENCE BOARD, Arlington, VA; NATIONAL SCIENCE FOUNDATION, 2000 (NSP-00-1). Of this total amount, $15.6 billion was provided by the Federal Government, $5.0 billion by academic institutions, $2.1 billion by state and local governments, $1.9 billion by industry, and $1.8 billion was derived from other sources (foundations, non-profits, gifts, etc.) The Federal Government thus supplied about 59% of the total R&D funding in academia.

Academic activities have been and continue to be heavily concentrated in basic research. In 1998, 69% of the total R&D expenditures went for basic research, 24% for applied research, and 7% for development.

Since the passage of the Bayh-Dole Act in 1980 (35 U.S.C. § 200 *et seq.*), the university sector has become increasingly active in the transfer of technology, resulting from R&D activities. Technology is transfered from the university to the public through the private sector. United States patents and foreign patents are the vehicles by which this technology transfer is made. Today, the academic sector is responsible for about 3% of all U.S. origin patents. The nature of these patents, arising as they do primarily from basic research, tend to be unique. Many of them represent the basis for totally new products or even new industries (i.e. witness the biotechnology industry which found its origin in university-based research.)

Because of the often basic nature of inventions and discoveries patented, and in light of the ongoing research programs which may later serve to more clearly demark such inventions and discoveries, it is extremely difficult to precisely define the metes and bounds of a given invention at the outset, or all of the alternatives available, the practice of

which may achieve the same result in substantially the same way. To deprive such patented inventions and discoveries of the flexible interpretation accorded by the doctrine of equivalents, or to limit them to the literal language of amended claims would open the door to copyists, in particular foreign companies and countries, to appropriate the fundamental concept of those discoveries and inventions.

The university sector has thousands of patents in its cumulative portfolio, many of which have been licensed to the private sector for further development to the point of commercial application. The companies to whom licenses have been issued have been or are engaged in costly development efforts with the expectation that their efforts will be protected from competition under the licensing arrangements. This will permit them to, at minimum, recoup the investment that has been made in the development phase. Moreover, there is an expectation by the university sector that revenue in the form of fees and payments will accrue to it to defray the costs of patenting, the costs of the technology transfer function, and return additional funds to the coffers to support additional research.

It is quite conceivable and, in fact, likely, that the decision by the C.A.F.C. in *Festo*, may well send competitors to our licensees, particularly where the license is exclusive, to review in detail the prosecution history of the patents and/or patent applications under which the license has been granted to detect any amendment that may be construed as a trigger to invoke prosecution history estoppel. This is one of the nefarious effects of this decision discarding the "flexible rule" approach. It intends to foster and reward copying rather than inventions. Obviously, the unavailability of the doctrine of equivalents applied to any such amendments, as expressed in the claims, would also be carefully reviewed. The penultimate effect could be that licensees would terminate their license agreements to rely upon trivial changes to

distinguish over the licensed patents. Competitors too would seek to distinguish in the same manner. In fact, the hallmark of the American system over the Japanese system has been that patent is only a reward for true inventive step, rather than for a mere, minor or slight change from the status *quo*.

If a licensee perceived that a competitor, through insubstantial or trivial amendments to a product or process, could avoid infringement, there would remain little incentive for the licensee to continue its development program. There would no longer be a risk to benefit ratio that would induce the licensee to continue to finance development and market development with the knowledge that a competitor could avail itself of the inventive concept without the product or market development expenditure. Thus, the C.A.F.C. decision in *Festo* would have, at least, a chilling effect on the potential for licensing inventions by the university sector to the extraordinary detriment of the public. By parity of reasoning, the C.A.F.C. decision could also have a chilling effect upon the willingness of particularly the academic institutions, but also of the government and other research sponsors, to fund further research knowing that the patent coverage obtainable could be so narrowly focused as not to support a competitive advantage.

The scope of this concern is not trivial. In 1999, there were 417 new products introduced which were based upon university research. In addition, 344 new companies (spin-outs) were formed, and $862 million in licensing income and fees were generated from about 8,300 licenses. Moreover, the university sector had 18,617 licenses and options extant and active in that year with reported product sales from 25% of those active agreements. The university sector also received over 12,000 new invention disclosures upon which patent applications and, ultimately licenses, could be based. *See* AUTM LICENSING SURVEY, FY 1999.

What is often overlooked is the cost and effort that a patentee or its licensee must expend to develop a market for a new or improved product or process in addition to developing the product or process itself. Inasmuch as most basic research-based inventions tend to be embryonic in nature, the commitment by a university licensee must be substantial to accomplish both development goals. Under the C.A.F.C. decision, a potential competitor of the university licensee would have the opportunity to wait for the licensee to develop both the product or process licensed and the market for it, make insubstantial or trivial changes schooled by an examination of the prosecution history of the patent licensed, and enter the then known market without the development expenses required of the licensee. That capability would discourage, rather than encourage, a true effort to "design around." It would simply not be necessary. It would, therefore, discourage the exercise of creative ingenuity intended to be fostered by the U.S. patent system. It would also offer tantamount to a free license to foreign companies and countries to avail themselves of new technological concepts and entry into the marketplace in direct competition with U.S. industry at home and competitiveness in the global economy.

This reasoning comports with that of Judge Newman in her dissent where she states:

> The assumption that placing new technology in the public domain is always the optimum path to industrial growth is not supported by experience. Empirical studies have added rigor to the common sense knowledge that reduced profit opportunity affects the supply of capital to launch a new technology, and often the creation of the technology itself.

See Festo v. SMC, 2000 U.S. App. LEXIS 29979 (Fed. Cir. Nov. 29, 2000) (Newman, J., dissenting).

In the passage of the Bayh-Dole Act, *See* 35 U.S.C. § 200 *et. seq*. Congress recognized that: 1.) Imagination and creativity are truly a national resource; 2.) The patent system is the vehicle that permits us to deliver that resource to the public; 3.) Placing the stewardship of the results of basic research in the hands of universities and small business is in the public interest; 4.) The existing federal patent policy was placing the nation in peril during a time when invention and innovation was becoming the preferred currency in foreign affairs.

The United States cannot afford the luxury of casting away its doctrine of equivalents on the mere hope of a gain from a copyist whose primary goal is to profit from someone else's work. For this cause, we again respectfully request this Honorable Court to grant its *writ of certiorari* in this case.

III. THE DOCTRINE OF EQUIVALENTS IS VIRTUALLY ABOLISHED UNDER *FESTO*

The doctrine of equivalents allows a patent holder to enforce its patent against the maker of a product or process that does not fall within the literal scope of the patent claims, if the accused device or process infringes a patent holder's patent under the doctrine of equivalents. The patentee may recover if the accused device substantially performs substantially the same function in substantially the same way to achieve substantially the same result as the patented device or process. *Machine Co. v. Murphy*, 97 U.S. 120, 125 (1877). However, if the patentee is barred from complaining about the infringement under the doctrine of equivalents due to prosecution history estoppel, the infringer reaps a great windfall.

The purpose of the doctrine of equivalents is to prevent this type of fraud by proscribing the making, using or selling of a device that is essentially the same as the patented invention, but which does not fall within the literal scope of the patented

claims. The doctrine balances the public need to rely on the literal scope of the claims with the inherent limitation of claim language; it provides an equitable means by which courts may determine ". . . the degree to which it is necessary to depart from the [literal] meaning [of the patent claims] to reach a just result." *Royal Typewriter Co. v. Remington Rand, Inc.*, 168 F.2d 691, 692; 77 U.S.P.Q. 517 (2d Cir. 1948).

The doctrine of equivalents has been a venerable doctrine in the patent law of the United States from *Winans v. Denmead*, 56 U.S. 330 (1853), to *Warner-Jenkinson v. Hilton Davis*, 520 U.S. 17 (1997).

In *Winans*, the Court stated the doctrine as follows:

> Where form and substance are inseparable, it is enough to look at the form only. Where they are separable; where the whole substance of the invention may be copied in a different form, it is the duty of the courts and juries to look through the form for the substance of the invention—for that which entitled the inventor to his patent, and which the patent was designed to secure; where that is found, there is an infringement; and it is not a defence, that it is embodied in a form not described, and in terms claimed by the patentee.

Winans v. Denmead, 56 U.S. 330, 343 (1853). In 1997, this Court in *Warner-Jenkinson v. Hilton-Davis*, held that the doctrine of equivalents continues as a viable doctrine in U.S. patent law. *See Warner-Jenkinson*, 1997 U.S. LEXIS 1476, at *4.

Equivalence is an equitable concept, having no definable boundary. The sole task of the courts should be to decide whether or not the accused device falls within this intangible area of equivalence as the courts are seeking the most equitable outcome based on the facts of each case. A generic rule such as that articulated by the C.A.F.C. in *Festo*, puts the doctrine of equivalents in an unusable strait jacket.

The C.A.F.C.'s rule in *Festo* has greatly reduced the availability of the doctrine of equivalents to existing patents and has opened the door to unchecked fraud in the marketplace.

IV. *FESTO* HAS SHAKEN THE FOUNDATIONS OF PATENT LAW

Numerous questions are raised and left unanswered by the C.A.F.C. *Festo* decision. The impact on prior cases which relied upon *Warner-Jenkinson*, but which are unlitigated, poses serious problems for the patent owners: Will *Festo* overrule *Warner-Jenkinson*? Upon what law should the litigant rely? Upon what law should applicants rely? Should the U.S. Patent Office revamp or revise its rules and regulations to conform to *Festo*? Should the Patent Office continue to rely upon the Supreme Court ruling in *Warner-Jenkinson*? Should applicants in prosecuting patent applications adapt to the C.A.F.C. rule on prosecution history estoppel? Should the applicant assume that every claim narrowing amendment, whether voluntary or involuntary, made to comply with any provision of the patent act (whether the extent of narrowing is required or not), automatically creates prosecution history estoppel regardless of the reason for the amendment? The C.A.F.C. in *Festo* answered this question in the affirmative. *See Festo*, 2000 U.S. App. LEXIS 29979, at *11.

However, the U.S. Supreme Court answers this question in the negative. The Court ruled in *Warner-Jenkinson* that "where the reason for the change was not related to avoiding the prior art, the change may introduce a new element, but it does not necessarily preclude infringement by equivalents of that element." *Warner-Jenkinson*, 1997 U.S. LEXIS 1476, at*13. There is an urgent need for clarification between these two competing holdings.

We urge this Court therefore to grant its *writ of certiorari* to settle these questions, for without this Court's guidance, the current state of the law could cause a waste of enormous resources.

The economics of acquiring, maintaining and defending a patent portfolio will greatly increase under the new C.A.F.C. rules on prosecution history estoppel and the doctrine of equivalents. It will now require all prudent inventors, including the *Amici* herein to: 1.) File patents of narrower scope; 2.) This will lead to more patent filings; 3.) Applicants will be less compromising with examiner proposed language; 4.) Perhaps more appeal proceedings from PTO prosecution rejections will ensue; 5.) Fewer applications will be filed by the university sector overall to protect basic research results due to lack of discretionary funds with which to pay the increased costs; 6.) Fewer applications will mean less opportunity for the public to benefit from the results of basic research (most of which is funded with taxpayer dollars); 7.) The Patent Office should discontinue its practice of issuing adjacent patents, which are so close to issued patents that they basically co-opt the core invention of the issued patent.

Festo fails to aid in protection of University research/inventions and innovation at a time when inventions are the preferred currency of foreign affairs. *See* H. Bremer. *University Technology Transfer Evolution and Revolution*, (manuscript on file with author and COUNCIL ON GOVERNMENTAL RELATIONS (COGR) for their 50th Anniversary).

Again, we urge this Honorable Court to grant the *writ of certiorari* to help answer these questions.

CONCLUSION

Given the diversity of opinions expressed among the judges on the C.A.F.C., the success or failure of a litigant before that tribunal is not predictable given the uncertain state of the law.

Rights of litigants and the outcome of cases should not vary dependent upon the views of a particular jurist, but rather upon clearly articulated principles of law as established by the United States Supreme Court or the United States Congress.

For all of the foregoing reasons, *Amici Curiae* respectfully request that this Honorable Court issue its *Writ of Certiorari to the United States Court of Appeals for the Federal Circuit.*

Respectfully submitted,

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